

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF MR NM OPERATING
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25642

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A Self-Affirmed Statement of Blake Simmons

- A-1 Application & Proposed Notice of Hearing
- A-2 C-102s
- A-3 Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit
Recapitulation, Pooled Parties
- A-4 Sample Well Proposal Letter & AFEs
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Exhibit B Self-Affirmed Statement of James G. Keenan

- B-1 Copy of Resume
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Exhibit C Self-Affirmed Statement of Jaclyn M. McLean

- C-1 Notice Letter to All Interested Parties Sent September 15, 2025
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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF MR NM OPERATING
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25642

**SELF-AFFIRMED STATEMENT
OF BLAKE SIMMONS**

1. I am a Land Advisor with MR NM Operating LLC (“MR”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. Copies of MR’s application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.

4. MR seeks to pool all uncommitted interests in the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the SE/4 of Section 31 and SW/4 of Section 32, Township 16 South, Range 32 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the following wells (“Wells”):

- a. **Shrek State Com 1H**, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 32 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31; and
- b. **Shrek State Com 2H**, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 32 to a bottom hole location in the

**MR NM Operating LLC
Case No. 25642
Exhibit A**

NW/4 SE/4 (Unit J) of Section 31.

6. The completed intervals of the Wells will be orthodox.
7. The completed interval of the Shrek State Com 2H well will be located within 330' of the quarter-quarter section line separating the N/2 SE/4 from the S/2 SE/4 of Section 31 and the N/2 SW/4 from the S/2 SW/4 of Section 32 to allow for the creation of a standard 320-acre horizontal spacing unit.
8. **Exhibit A-2** contains the C-102s for the Wells.
9. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests MR seeks to pool highlighted in yellow.
10. MR has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.
11. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
12. In my opinion, MR made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.
13. MR requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by MR and other operators in the vicinity.

14. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

15. In my opinion, the granting of MR's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

16. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my electronic signature below.

Blake Simmons
BLAKE SIMMONS

9/25/25
Date

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF MR NM OPERATING
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25642

APPLICATION

Pursuant to NMSA 1978, Section 70-2-17, MR NM Operating LLC (OGRID No. 330506) (“MR” or “Applicant”) applies for an order pooling all uncommitted interests in the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the SE/4 of Section 31 and SW/4 of Section 32, Township 16 South, Range 32 East, Lea County, New Mexico (“Unit”). In support of this application, MR states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells (“Wells”):
 - a. **Shrek State Com 1H**, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 32 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31; and
 - b. **Shrek State Com 2H**, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 32 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 31.
3. The completed intervals of the Wells will be orthodox.
4. The completed interval of the Shrek State Com 2H well will be located within 330’ of the quarter-quarter section line separating the N/2 SE/4 from the S/2 SE/4 of Section 31 and the

**MR NM Operating LLC
Case No. 25642
Exhibit A-1**

N/2 SW/4 from the S/2 SW/4 of Section 32 to allow for the creation of a standard 320-acre horizontal spacing unit.

5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 9, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- E. Approving the actual operating charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated pursuant to the COPAS accounting procedures; and

- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Pena

125 Lincoln Ave, Ste. 223

Santa Fe, NM 87501

Phone: (505) 230-4410

dhardy@hardymclean.com

jmclean@hardymclean.com

ypena@hardymclean.com

Counsel for MR NM Operating LLC

Wells and the allocation of the cost, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 28 miles southwest of Jal, New Mexico.

38. Case No. 25642: Application of MR NM Operating LLC for Compulsory Pooling and Approval of Standard Horizontal Spacing Unit, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the SE/4 of Section 31 and SW/4 of Section 32, Township 16 South, Range 32 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Shrek State Com 1H, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 32 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31; and Shrek State Com 2H, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 32 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 31. The completed intervals of the Wells will be orthodox. The completed interval of the Shrek State Com 2H well will be located within 330' of the quarter-quarter section line separating the N/2 SE/4 from the S/2 SE/4 of Section 31 and the N/2 SW/4 from the S/2 SW/4 of Section 32 to allow for the creation of a standard 320-acre horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 34 miles east of Artesia, New Mexico.

39. Case No. 25643: Application of MRC Permian Company to Extend the Drilling Deadline Under Order No. R-23478, Lea County, New Mexico. Applicant in the above-styled cause seeks a year extension of time for drilling the initial well under Order No. R-23478. The Unit is comprised of a standard 324.32-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W/2 W/2 of Section 34, Township 18 South, Range 34 East, and Lot 4, the SW/4 NW/4, and the W/2 SW/4 (W/2 W/2 equivalent) of irregular Section 3, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Order No. R-23478 approved the overlapping spacing unit and pooled the uncommitted mineral interests in the Bone Spring formation and dedicated the Unit to the proposed initial Art Smith State Com 121H well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34, with a first take point in the NW/4 NW/4 (Unit D) of Section 34 and a last take point in the SW/4 SW/4 (Unit M) of irregular Section 3. The subject area is located approximately 22 miles west of Hobbs, New Mexico.

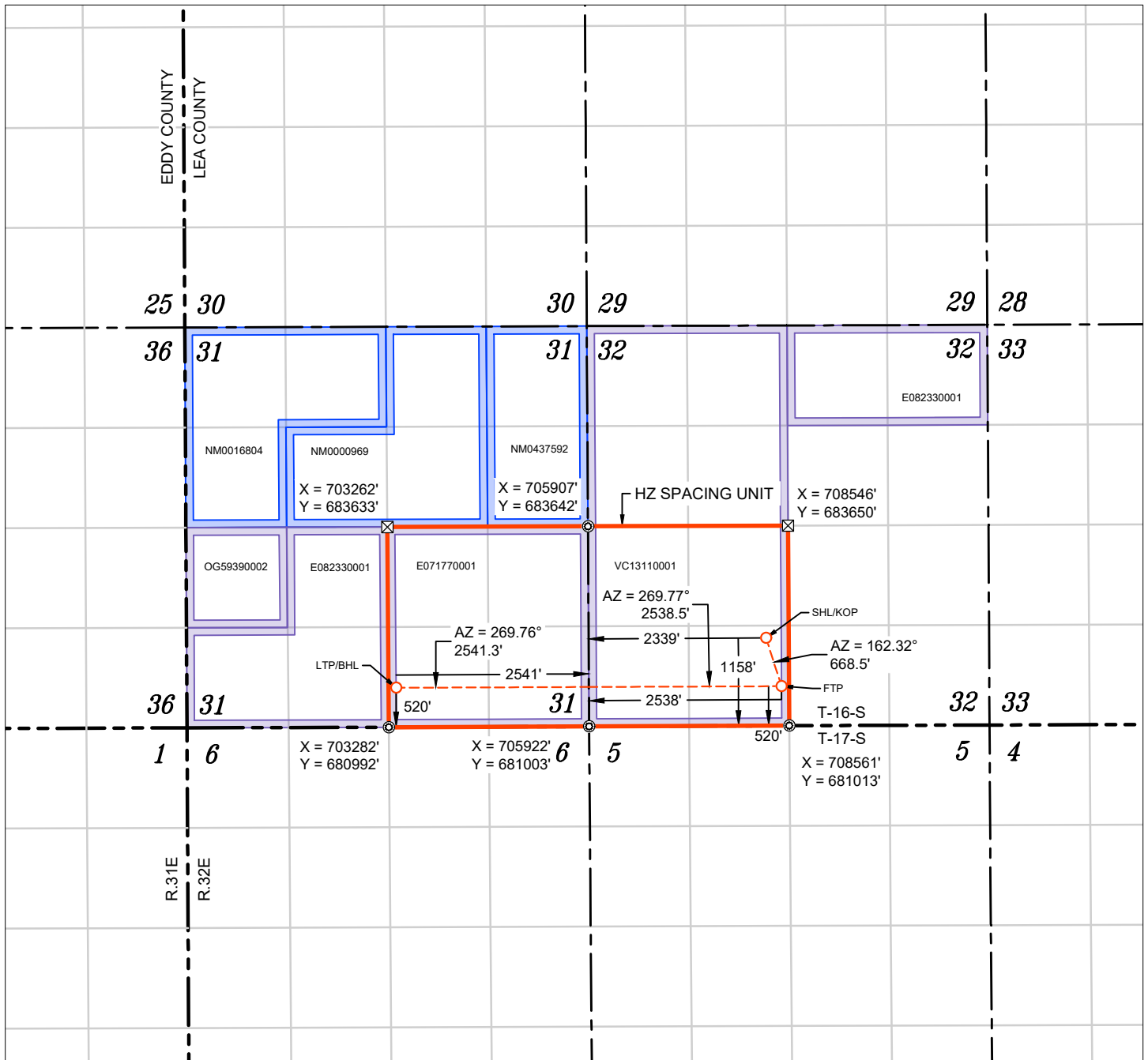
40. Case No. 25644: Application of Civitas Permian Operating, LLC to Amend Order R-23636 to Allow Additional Time to Commence Drilling, Eddy County, New Mexico. Applicant in the above-styled cause seeks a one-year extension of time for drilling the well under Order No. R-23636. The unit is comprised of the S/2 of Sections 22 and 23, Township 24 South, Range 26 East, Eddy County, New Mexico. Order No. R-23636 pooled all uncommitted interests within the Purple Sage; Wolfcamp (Gas) Pool and dedicated the Unit to the proposed initial Modelo 22-23 Fed Com 211H well.

41. Case No. 25645: Application of MRC Permian Company to Extend the Drilling Deadline Under Order R-23479, Lea County, New Mexico. Applicant in the above-styled cause seeks a year extension of time for drilling the initial well under Order No. R-23479. The Unit is comprised of a standard 324.28-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E/2 W/2 of Section 34, Township 18 South, Range 34 East, and Lot 3, the SE/4 NW/4, and the E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 3, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Order No. R-23479 approved the overlapping spacing unit and pooled the uncommitted mineral interests in the Bone Spring formation and dedicated the Unit to the proposed initial Art Smith State Com 122H well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34, with a first take point in the NE/4 NW/4 (Unit C) of Section 34 and a last take point in the SE/4 SW/4 (Unit N) of irregular Section 3. The subject area is located approximately 22 miles west of Hobbs, New Mexico.

42. Case No. 25646: Application of MRC Permian Company to Extend the Drilling Deadline Under Order No. R-23482, Lea County, New Mexico. Applicant in the above-styled cause seeks a year extension of time for drilling the initial well under Order No. R-23482. The Unit is comprised of a standard 324.32-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the W/2 W/2 of Section 34, Township 18 South, Range 34 East, and Lot 4, the SW/4 NW/4, and the W/2 SW/4 (W/2 W/2 equivalent) of irregular Section 3, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Order No. R-23482 pooled the uncommitted mineral interests in the Wolfcamp formation and dedicated the Unit to the proposed initial Art Smith State Com 241H well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34, with a first take point in the NW/4 NW/4 (Unit D) of Section 34 and a last take point in the SW/4 SW/4 (Unit M) of irregular Section 3. The subject area is located approximately 22 miles west of Hobbs, New Mexico.

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Exhibit A-2		Revised July 9, 2024				
			Submittal Type:	☒ Initial Submittal					
				☐ Amended Report					
				☐ As Drilled					
WELL LOCATION INFORMATION									
API Number		Pool Code		Pool Name					
Property Code		Property Name SHREK STATE COM			Well Number #1H				
OGRID No.		Operator Name MR NM OPERATING, LLC			Ground Level Elevation 4157'				
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal				Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal					
Surface Location									
UL N	Section 32	Township 16 S	Range 32 E	Lot	Ft. from N/S 1158' FSL	Ft. from E/W 2339' FWL	Latitude 32.874124°	Longitude -103.789652°	County LEA
Bottom Hole Location									
UL O	Section 31	Township 16 S	Range 32 E	Lot	Ft. from N/S 520' FSL	Ft. from E/W 2541' FEL	Latitude 32.872385°	Longitude -103.805546°	County LEA
Dedicated Acres 320.00		Infill or Defining Well		Defining Well API		Overlapping Spacing Unit (Y/N)		Consolidation Code	
Order Numbers.				Well setbacks are under Common Ownership: ☐ Yes ☐ No					
Kick Off Point (KOP)									
UL N	Section 32	Township 16 S	Range 32 E	Lot	Ft. from N/S 1158' FSL	Ft. from E/W 2339' FWL	Latitude 32.874124°	Longitude -103.789652°	County LEA
First Take Point (FTP)									
UL N	Section 32	Township 16 S	Range 32 E	Lot	Ft. from N/S 520' FSL	Ft. from E/W 2538' FWL	Latitude 32.872371°	Longitude -103.789001°	County LEA
Last Take Point (LTP)									
UL O	Section 31	Township 16 S	Range 32 E	Lot	Ft. from N/S 520' FSL	Ft. from E/W 2541' FEL	Latitude 32.872385°	Longitude -103.805546°	County LEA
Unitized Area or Area of Uniform Interest		Spacing Unit Type ☐ Horizontal ☐ Vertical			Ground Floor Elevation: 4157'				
OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>					SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>  				
Signature			Date		Signature and Seal of Professional Surveyor				
					25344 JULY 9, 2025				
Printed Name					Certificate Number		Date of Survey		
Email Address									

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



WELL NAME: SHREK STATE COM #1H
ELEVATION: 4157'

NAD 83 (SHL/KOP) 1158' FSL & 2339' FWL
LATITUDE = 32.874124°
LONGITUDE = -103.789652°
NAD 27 (SHL/KOP)
LATITUDE = 32.874010°
LONGITUDE = -103.789143°
STATE PLANE NAD 83 (N.M. EAST)
N: 682169.95' E: 708254.82'
STATE PLANE NAD 27 (N.M. EAST)
N: 682106.84' E: 667077.37'

NAD 83 (FTP) 520' FSL & 2538' FWL
LATITUDE = 32.872371°
LONGITUDE = -103.789001°
NAD 27 (FTP)
LATITUDE = 32.872256°
LONGITUDE = -103.788492°
STATE PLANE NAD 83 (N.M. EAST)
N: 681533.06' E: 708457.88'
STATE PLANE NAD 27 (N.M. EAST)
N: 681469.97' E: 667280.42'

NAD 83 (LTP/BHL) 520' FSL & 2541' FEL
LATITUDE = 32.872385°
LONGITUDE = -103.805546°
NAD 27 (LTP/BHL)
LATITUDE = 32.872270°
LONGITUDE = -103.805037°
STATE PLANE NAD 83 (N.M. EAST)
N: 681512.26' E: 703378.20'
STATE PLANE NAD 27 (N.M. EAST)
N: 681449.15' E: 662200.73'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
VC13110001	2538.47'
E071770001	2541.26'
TOTAL	5079.73'

- ⊙ FOUND MONUMENT
- ⊠ CALC. CORNER
- SHL/ KOP/ FTP / PPP/ LTP / BHL
- WELLBORE
- HORIZONTAL SPACING UNIT
- STATE OIL & GAS LEASE
- BLM OIL & GAS LEASE

NOTES

1. ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID (U.S. SURVEY FEET), BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001).
2. THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING JULY, 2025. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS INFORMATION IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
3. ELEVATIONS NAVD 88, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.



C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	☒ Initial Submittal
			☐ Amended Report
			☐ As Drilled

WELL LOCATION INFORMATION			
API Number	Pool Code	Pool Name	
Property Code	Property Name SHREK STATE COM	Well Number #2H	
OGRID No.	Operator Name MR NM OPERATING, LLC	Ground Level Elevation 4158'	
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal	

Surface Location									
UL N	Section 32	Township 16 S	Range 32 E	Lot	Ft. from N/S 1175' FSL	Ft. from E/W 2314' FWL	Latitude 32.874171°	Longitude -103.789733°	County LEA

Bottom Hole Location									
UL J	Section 31	Township 16 S	Range 32 E	Lot	Ft. from N/S 1405' FSL	Ft. from E/W 2543' FEL	Latitude 32.874817°	Longitude -103.805553°	County LEA

Dedicated Acres 320.00	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)									
UL N	Section 32	Township 16 S	Range 32 E	Lot	Ft. from N/S 1175' FSL	Ft. from E/W 2314' FWL	Latitude 32.874171°	Longitude -103.789733°	County LEA

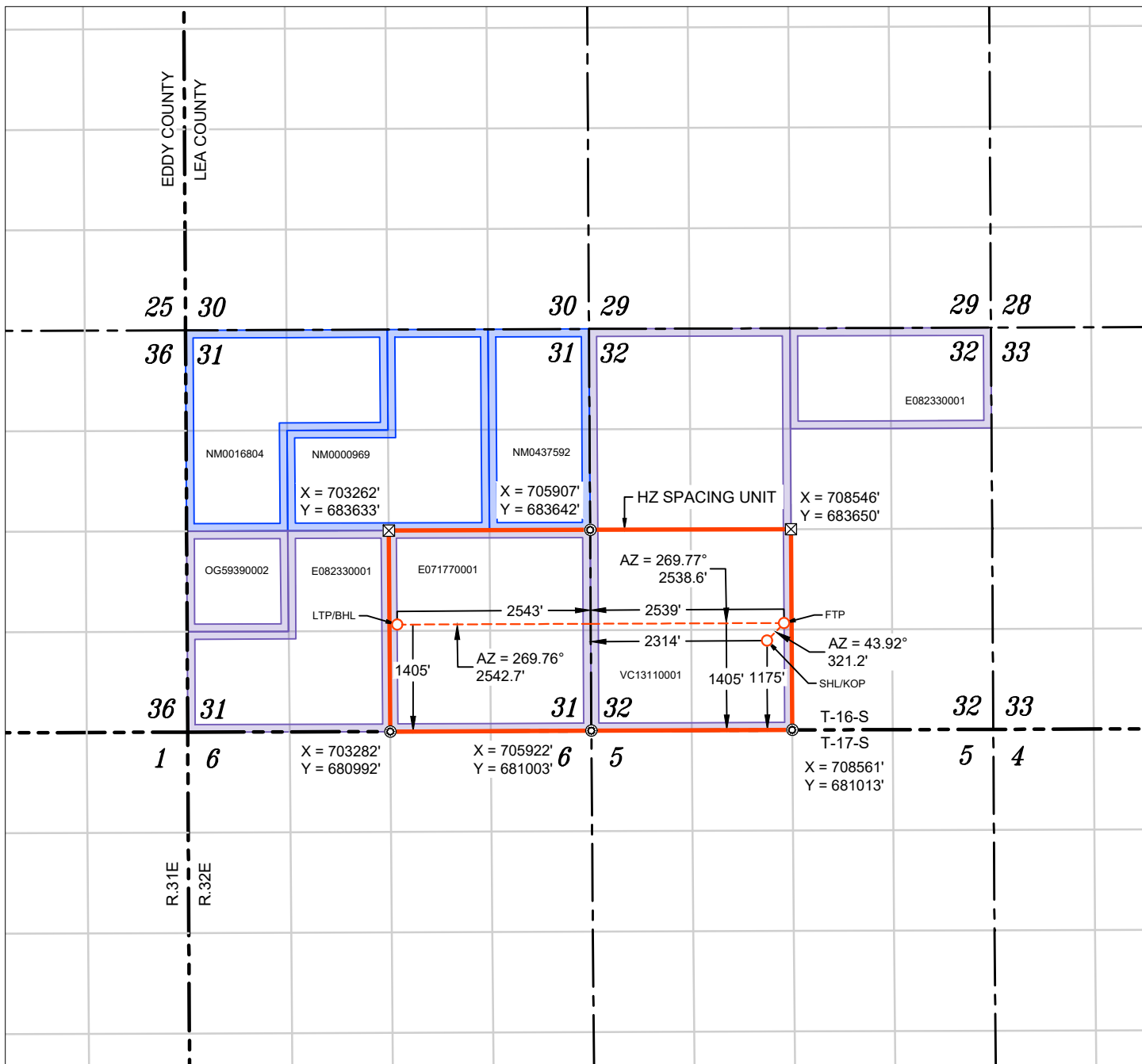
First Take Point (FTP)									
UL K	Section 32	Township 16 S	Range 32 E	Lot	Ft. from N/S 1405' FSL	Ft. from E/W 2539' FWL	Latitude 32.874803°	Longitude -103.789003°	County LEA

Last Take Point (LTP)									
UL J	Section 31	Township 16 S	Range 32 E	Lot	Ft. from N/S 1405' FSL	Ft. from E/W 2543' FEL	Latitude 32.874817°	Longitude -103.805553°	County LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation: 4158'
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OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>  	
Signature	Date	Signature and Seal of Professional Surveyor	
		25344 JULY 9, 2025	
Printed Name		Certificate Number	Date of Survey
Email Address			

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



WELL NAME: SHREK STATE COM #2H
ELEVATION: 4158'

NAD 83 (SHL/KOP) 1175' FSL & 2314' FWL
LATITUDE = 32.874171°
LONGITUDE = -103.789733°
NAD 27 (SHL/KOP)
LATITUDE = 32.874056°
LONGITUDE = -103.789224°
STATE PLANE NAD 83 (N.M. EAST)
N: 682186.67' E: 708229.91'
STATE PLANE NAD 27 (N.M. EAST)
N: 682123.56' E: 667052.46'

NAD 83 (FTP) 1405' FSL & 2539' FWL
LATITUDE = 32.874803°
LONGITUDE = -103.789003°
NAD 27 (FTP)
LATITUDE = 32.874689°
LONGITUDE = -103.788494°
STATE PLANE NAD 83 (N.M. EAST)
N: 682418.05' E: 708452.75'
STATE PLANE NAD 27 (N.M. EAST)
N: 682354.93' E: 667275.30'

NAD 83 (LTP/BHL) 1405' FSL & 2543' FEL
LATITUDE = 32.874817°
LONGITUDE = -103.805553°
NAD 27 (LTP/BHL)
LATITUDE = 32.874703°
LONGITUDE = -103.805044°
STATE PLANE NAD 83 (N.M. EAST)
N: 682397.24' E: 703371.51'
STATE PLANE NAD 27 (N.M. EAST)
N: 682334.11' E: 662194.05'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
VC13110001	2538.55'
E071770001	2542.73'
TOTAL	5081.28'

- ⊙ FOUND MONUMENT
- ⊠ CALC. CORNER
- SHL/ KOP/ FTP / PPP/ LTP / BHL
- WELLBORE
- HORIZONTAL SPACING UNIT
- STATE OIL & GAS LEASE
- BLM OIL & GAS LEASE

NOTES

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3. ELEVATIONS NAVD 88, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

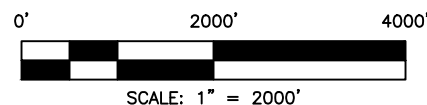
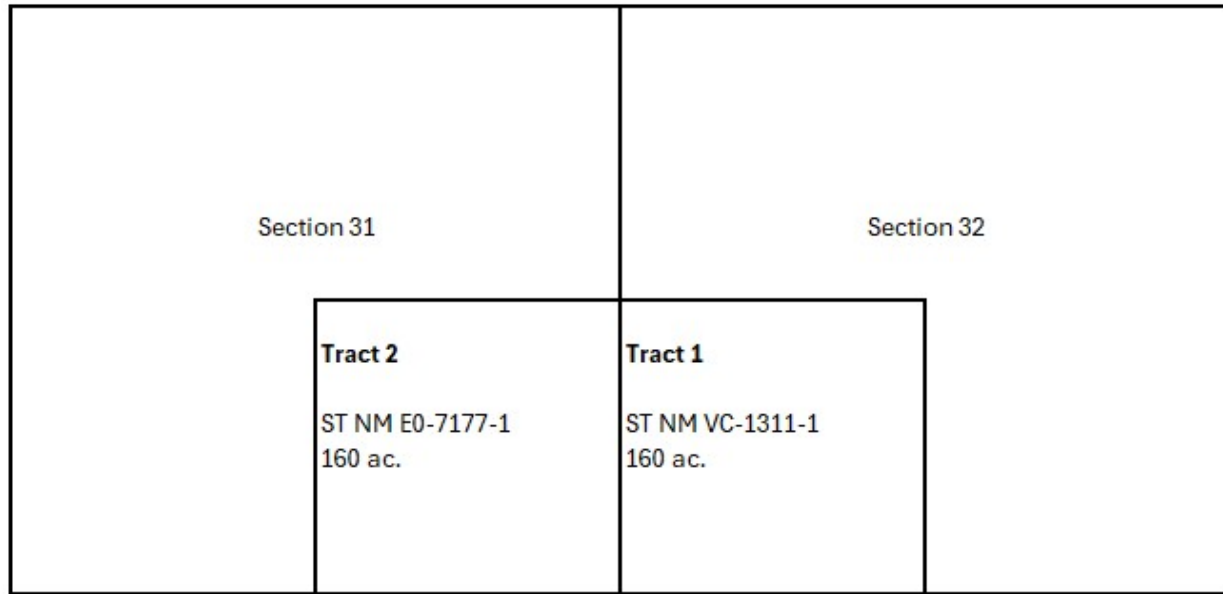


Exhibit A-3

Shrek State Com #1H and #2H - SW/4 of Section 32 and SE/4 of Section 31 T16S, R32E

**Tract 1 - ST NM VC-1311-01 (SW/4)**

	Owner Name	Tract Record Title	Tract Working Interest	Status
	MR NM Operating LLC	1.00000000	1.00000000	Committed
	Total:	1.00000000	1.00000000	

Tract 2 - ST NM E0-7177-1 (SE/4)

	Owner Name	Tract Record Title	Tract Working Interest	Status
	XTO Holdings LLC (Exxon Mobil)	1.00000000	-	Provisional
	Colt Energy	0.00000000	0.50000000	Uncommitted
	Hilcorp Energy	0.00000000	0.50000000	Uncommitted
	Total:	1.00000000	1.00000000	

Recapitulation

	Owner Name		Working Interest	Status
	MR NM Operating LLC		50.00000000	Committed
	Colt Energy		25.00000000	Uncommitted
	Hilcorp Energy		25.00000000	Uncommitted
	XTO Holdings LLC (Exxon Mobil)		-	Provisional
	Total:		1.00000000	

***Parties seeking to pool are highlighted in yellow.**

MR NM OPERATING LLC
5950 Berkshire | Suite 1000
Dallas, Texas 75225
(469) 899-8600

August 5, 2025

VIA USPS CERTIFIED MAIL

Hilcorp Energy I, LP
1111 Travis Street
Houston, TX 77002

ATTN: Land Department

RE: Well Participation Proposal
Shrek State Com #1H and #2H (the "Wells")
Sections 31 and 32, Township 16 South, Range 32 East
Lea County, New Mexico

Dear Working Interest Owner:

MR NM Operating LLC ("MR NM") hereby proposes the drilling, completing and equipping of the following Wells located in Sections 31 and 32 of T16S R32E of Lea County, New Mexico:

Well Name	Legal Description	Formation	TVD	TMD	AFE
Shrek State Com 1H	SE/4 Sec. 31 and SW/4 32 T16S R32E SHL: 1158' FSL, 2339' FWL, in Sec 32 BHL: 520' FSL, 2154' FEL, Sec 31	Yeso	5,705'	10,458'	\$5,811,554
Shrek State Com 2H	SE/4 Sec. 31 and SW/4 32 T16S R32E SHL: 1175' FSL, 2314' FWL, in Sec 32 BHL: 1405' FSL, 2543' FEL, Sec 31	Yeso	5,708'	10,415'	\$5,811,554

MR NM reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MR NM will advise you of any such modifications.

MR NM Operating LLC
Case No. 25642
Exhibit A-4

Please be advised that MR NM has engaged counsel to render full drilling and division order title opinion, and your interest reflected below may be subject to change pending final title clearance.

In addition, MR NM proposes the operations under the terms of a modified 1989 Horizontal AAPL Form 610 Joint Operating Agreement ("JOA") with the following basic terms:

- Contract Area:
- SE/4 Section 31 and SW/4 32, Township 16S, Range 27E
- Limited to the Yeso Formation
- MR NM Operating, LLC named as Operator
- September 1, 2025 Effective Date
- 100%/300%/300% non-consent penalties
- \$8,000.00/\$800.00 drilling and producing overhead rates

Please indicate your election in the operation and return a signed copy within thirty (30) days of receipt of this notice to my attention at the address below. If Hilcorp Energy I, LP is interested in selling its interest in the Contract Area, please contact the undersigned at your earliest convenience.

MR NM looks forward to working with Hilcorp Energy I, LP on this matter and may file for compulsory pooling in the near future to pool any uncommitted working interest owners. If you have any questions or concerns, please do not hesitate to contact the undersigned at (214) 354-5414 or blake@mr-nm.com.

Sincerely,



Blake Simmons
Land Manager
MR NM Operating LLC

Enclosure(s): Shrek State Com 1H and 2H AFEs

Hilcorp Energy I, LP hereby elects to:

_____ Participate in the proposed **Shrek State Com 1H** Operation with its 0.25000000 WI
by paying its proportionate share of the costs outlined on the associated AFE.

_____ Not to participate in the proposed **Shrek State Com 1H** Operation.

_____ Participate in the proposed **Shrek State Com 2H** Operation with its 0.25000000 WI
by paying its proportionate share of the costs outlined on the associated AFE.

_____ Not to participate in the proposed **Shrek State Com 2H** Operation.

Hilcorp Energy I, LP

By: _____

Title: _____

Date: _____

Contact Number: _____

Email: _____

MR NM Operating LLC
Cost Estimate & Authority for Expenditure

Well Name:	Shrek State Com			County, State:	Well Location	
Well Number:	1H			Lea, NM	S 32 T 16S R 32E	
Prospect/Field:		Formation:		Proposed TD:	AFE Number:	
		Yeso		10,458		

Project Description:

Drill and complete new Yeso horizontal

INTANGIBLE ITEMS		DRILLING	COMPLETION	FACILITIES	TOTAL
					WELL COST
Supervision		56,100	37,450		106,883
Environmental		0	0	0	0
Surface Damage / ROW		0	0		0
Roads / Location		165,000	5,000		171,667
Fuel & Power		99,000	150,000		249,000
Water		20,394	375,000		395,394
Fluid / Mud & Additives		43,175	0	0	43,175
Bits / Reamers / Stabilizers		47,500	150,000		197,500
Surface Rental Equipment		97,448	60,235		191,016
Mobilization / Demobilization		140,000	0		140,000
Inspection Services		0	0		5,000
Transportation		42,500	6,000	3,333	51,833
Water Transfer		0	231,300		231,300
Subsurface Equipment Rental		47,000			47,000
Supplies		0	0		0
Stimulation / Frac		0	837,500		837,500
Wireline / Perf		0			157,500
Miscellaneous / Contingency		0	0	0	0
Contract Labor		45,500	10,000	158,333	213,833
Permit / License / Etc.		17,500	0	0	17,500
Well Testing / Flowback		0	48,750	0	48,750
Fishing		0	0	0	0
Open Hole Logs		0	0	0	0
Cased Hole Logs			0		0
Mud Logging		0	0		0
Pumps / Pit / Swivel		0	0		0
Location Restoration		0	0		0
Disposal - Solids & Fluids		90,563	150,000	0	240,563
Directional Equipment / Services		159,000	0	0	159,000
Solids Control Equipment		46,000	0	0	46,000
BOP		0	0	0	0
Drilling Contract / CTU / Workover Rig		385,000	218,000		603,000
Primary Cementing		109,813	0		109,813
Remedial Cementing		0	0	0	0
Casing Crew		75,000	0		76,500
Core Evaluation		0	0		0
Coring		0	0		0
Acid / Frac Tanks		0	0		0
Legal / Title		50,000			50,000
Insurance		9,881			9,881
Overhead		3,000			9,000
Total Intangible Costs		1,749,373	2,442,735	216,500	4,408,608

MR NM Operating LLC
Cost Estimate & Authority for Expenditure

Well Name:	Shrek State Com			County, State:	Well Location	
Well Number:	1H			Lea, NM	S 32 T 16S R 32E	
TANGIBLE ITEMS			DRILLING	COMPLETION	FACILITIES	TOTAL
Surface Casing			57,000	0	0	57,000
Acquisition			0	0	0	0
Intermediate Casing			143,500	0	0	143,500
Drilling Liner			0	0	0	0
Compressor			0	0	0	0
Production Liner			0	0	0	0
Production Casing			414,625	0	0	414,625
Production Tubing			0	22,000	0	22,000
Packers			0	0	0	0
Artificial Lift			0	0	0	0
Rod String			0	0	0	0
Pump			0	150,000	21,667	171,667
Pumping Unit			0	0	0	0
Wellhead			30,000	0	0	30,000
Electrical			0	0	136,667	136,667
Tank Battery			0	0	114,500	114,500
Heater			0	0	42,500	42,500
Separator			0	0	75,000	75,000
Meter			0	0	21,333	21,333
Flowline			0	0	1,238	1,238
Line Pipe			0	0	26,250	26,250
Fittings			0	0	116,667	116,667
Valves			0	0	0	0
Automation			0	0	0	0
SCADA Equipment			0	0	30,000	30,000
Engineering / Planning			0	0	0	0
Pipeline			0	0	0	0
Total Tangible Costs			645,125	172,000	585,821	1,402,946
Total Cost for AFE			2,394,498	2,614,735	802,321	5,811,554

MR NM Operating LLC
 Prepared By: J. Young
 Approved By: K. Farrar
 Name
 Title
 Date 8/5/2025

Working Interest Owner Approval
 Company:
 Approved By:
 Name:
 Title:
 Date:

MR NM Operating LLC
Cost Estimate & Authority for Expenditure

Well Name:	Shrek State Com			County, State:	Well Location	
Well Number:	2H			Lea, NM	S 32 T 16S R 32E	
Prospect/Field:		Formation:		Proposed TD:	AFE Number:	
		Yeso		10,415'		
Project Description:						
Drill and complete new Yeso horizontal						
INTANGIBLE ITEMS			DRILLING	COMPLETION	FACILITIES	TOTAL
						WELL COST
Supervision			56,100	37,450		106,883
Environmental			0	0	0	0
Surface Damage / ROW			0	0		0
Roads / Location			165,000	5,000		171,667
Fuel & Power			99,000	150,000		249,000
Water			20,394	375,000		395,394
Fluid / Mud & Additives			43,175	0	0	43,175
Bits / Reamers / Stabilizers			47,500	150,000		197,500
Surface Rental Equipment			97,448	60,235		191,016
Mobilization / Demobilization			140,000	0		140,000
Inspection Services			0	0		5,000
Transportation			42,500	6,000	3,333	51,833
Water Transfer			0	231,300		231,300
Subsurface Equipment Rental			47,000			47,000
Supplies			0	0		0
Stimulation / Frac			0	837,500		837,500
Wireline / Perf			0			157,500
Miscellaneous / Contingency			0	0	0	0
Contract Labor			45,500	10,000	158,333	213,833
Permit / License / Etc.			17,500	0	0	17,500
Well Testing / Flowback			0	48,750	0	48,750
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Cased Hole Logs				0		0
Mud Logging			0	0		0
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Primary Cementing			109,813	0		109,813
Remedial Cementing			0	0	0	0
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Core Evaluation			0	0		0
Coring			0	0		0
Acid / Frac Tanks			0	0		0
Legal / Title			50,000			50,000
Insurance			9,881			9,881
Overhead			3,000			9,000
Total Intangible Costs			1,749,373	2,442,735	216,500	4,408,608

MR NM Operating LLC
Cost Estimate & Authority for Expenditure

Well Name:	Shrek State Com			County, State:	Well Location	
Well Number:	2H			Lea, NM	S 32 T 16S R 32E	
TANGIBLE ITEMS			DRILLING	COMPLETION	FACILITIES	TOTAL
Surface Casing			57,000	0	0	57,000
Acquisition			0	0	0	0
Intermediate Casing			143,500	0	0	143,500
Drilling Liner			0	0	0	0
Compressor			0	0	0	0
Production Liner			0	0	0	0
Production Casing			414,625	0	0	414,625
Production Tubing			0	22,000	0	22,000
Packers			0	0	0	0
Artificial Lift			0	0	0	0
Rod String			0	0	0	0
Pump			0	150,000	21,667	171,667
Pumping Unit			0	0	0	0
Wellhead			30,000	0	0	30,000
Electrical			0	0	136,667	136,667
Tank Battery			0	0	114,500	114,500
Heater			0	0	42,500	42,500
Separator			0	0	75,000	75,000
Meter			0	0	21,333	21,333
Flowline			0	0	1,238	1,238
Line Pipe			0	0	26,250	26,250
Fittings			0	0	116,667	116,667
Valves			0	0	0	0
Automation			0	0	0	0
SCADA Equipment			0	0	30,000	30,000
Engineering / Planning			0	0	0	0
Pipeline			0	0	0	0
Total Tangible Costs			645,125	172,000	585,821	1,402,946
Total Cost for AFE			2,394,498	2,614,735	802,321	5,811,554

MR NM Operating LLC
 Prepared By: J. Young
 Approved By: K. Farrar
 Name
 Title
 Date 8/5/2025

Working Interest Owner Approval
 Company:
 Approved By:
 Name:
 Title:
 Date:

Chronology of Contact with Non-Op Working Interests Owners (MR NM Operating LLC – 50.00% WI)

Colt Energy – 25.00% WI

- 8/25/25 – Further email correspondence about well proposals, title status and project timing.
- 8/5/25 – Delivered well proposals and AFEs.
- 4/1/25 – Further email and telephone correspondence about development plans.
- 1/9/25 – Telephone conversation with Colt Energy to further discuss proposal.
- 12/10/24 – Emailed formal offer for purchase.
- 11/27/24 – Telephone conversation with Colt Energy to further discuss proposal.
- 11/25/24 – Introductory email to Colt Energy to discuss preliminary plans for development and expression of interest for purchase offer.

Hilcorp Energy – 25.00% WI

- 8/6/25 – Introductory email and duplicate copy of well proposals and AFEs delivered.
- 8/5/25 – Delivered well proposals and AFE.

Exxon Mobil – Provisional Interest Owner

- 9/3/25 – Email correspondence about well proposals, title status and project timing.
- 8/29/25 - Email correspondence and information requested from Exxon.
- 8/19/25 – Email correspondence about well proposals, title status and project timing.
- 8/13/25 – Email correspondence about well proposals, title status and project timing.
- 8/11/25 – Left voicemail for contact, followed up via email.
- 8/5/25 – Email correspondence about well proposals, title status and project timing.
- 8/5/25 – Delivered well proposals and AFEs.

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF MR NM OPERATING
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25642

**SELF-AFFIRMED STATEMENT
OF JAMES G. KEENAN**

1. I am a geologist with MR NM Operating LLC ("MR"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I attained a Bachelor of Science degree in Earth Science and a Master of Science in Geophysics and have over 12 years of experience as a geologist in the petroleum industry. A copy of my resume is attached as **Exhibit B-1**.

2. I am familiar with the application filed by MR in this case, and I have conducted a geologic study of the lands.

3. In this case, MR is targeting the Yeso formation.

4. **Exhibit B-2** is a location map of the proposed horizontal spacing unit ("Unit"). MR's acreage is shown in yellow and the approximate wellbore paths for the proposed **Shrek State Com 1H** and **Shrek State Com 2H** proposed wells ("Wells") are represented by a solid black line.

5. **Exhibit B-3** is a subsea structure map that I prepared for the top of the Yeso with a contour interval of 25 feet. Nearby wells producing in the target formation are also identified. The exhibit also identifies three wells penetrating the targeted interval that I used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area. The structure map

**MR NM Operating LLC
Case No. 25642
Exhibit B**

demonstrates the formation is gently dipping to the east to southeast in this area. The formation appears consistent across the proposed spacing unit. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells. This map also shows a line bisecting the proposed spacing unit from B to B' which is depicted in a gun barrel diagram in a later exhibit.

6. **Exhibit B-4** is a stratigraphic cross-section that I prepared displaying open-hole logs acquired over the target formation from the representative wells denoted from A to A' on Exhibit B-3. For each well in the cross-section, the exhibit shows the following logs where available: gamma ray and resistivity. The targeted zone for the proposed Wells are labeled and marked on the cross-section. This red dotted line also depicts the interval MR seeks to pool those uncommitted interests. The logs in the cross-section demonstrate that the targeted intervals are continuous and consistent along trend.

7. **Exhibit B-5** is a gun barrel diagram from B to B' reflecting MR's intended development in the Yeso formation in this acreage and identifies the initial proposed wells (solid black dots) relative to the different intervals within the Yeso formation.

8. The laydown orientation is the preferred orientation for exploitation in this portion of the Northwest shelf based on stress orientation and production data. Thus, the laydown orientation is appropriate to properly develop this acreage using 1-mile laterals in a manner that is consistent with MR's ownership interest and offsetting development.

9. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.

10. In my opinion, the granting of MR's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

11. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.


JAMES G. KEENAN

26 Sept 25
Date

Resume of James G. Keenan

Geoscience Advisor
Cypress Natural Resources
jim@cypressnr.com

PROFESSIONAL EXPERIENCE

Geoscience Advisor

Cypress Natural Resources

August 2025 - current

- Development optimization of Cypress Natural Resource's tight oil reservoir assets on the Northwest Shelf of the Delaware Basin and in South Texas

Senior Geoscientist

CarbonCycle, LLC

July 2024- August 2025

- Evaluation and design of carbon dioxide sequestration reservoirs, especially carbonate ramp reservoirs

Geophysical Specialist

EOG Resources, Inc.

Gulf Coast Exploration & CCS, Fort Worth Division

July 2022- July 2024

- Oil and gas exploration along the Gulf Coast (Wilcox, Eagle Ford, Austin Chalk)
- Developed carbon sequestration reservoirs in carbonate ramp reservoirs (Ellenberger and Glen Rose formations)

Powder River Basin Development, Denver Division

July 2018 – July 2022

- Development optimization for the horizontal development of EOG's assets in the Powder River Basin (Parkman, Turner, Niobrara, and Mowry)

Delaware Basin & Northwest Shelf, Midland Division

Feb. 2015 – July 2018

- Delineation and development optimization of EOG's assets in the Delaware Basin (Avalon, Bone Springs, and Wolfcamp formations)
- Geological evaluation of the Northwest Shelf of the Delaware Basin in preparation for the Yates acquisition

Fort Worth Basin, Fort Worth Division

Summer 2013 & 2014

- Reservoir characterization to optimize horizontal development of the Barnett Shale

EDUCATION

Colorado School of Mines, Golden, Colorado
Master of Science in Geophysics

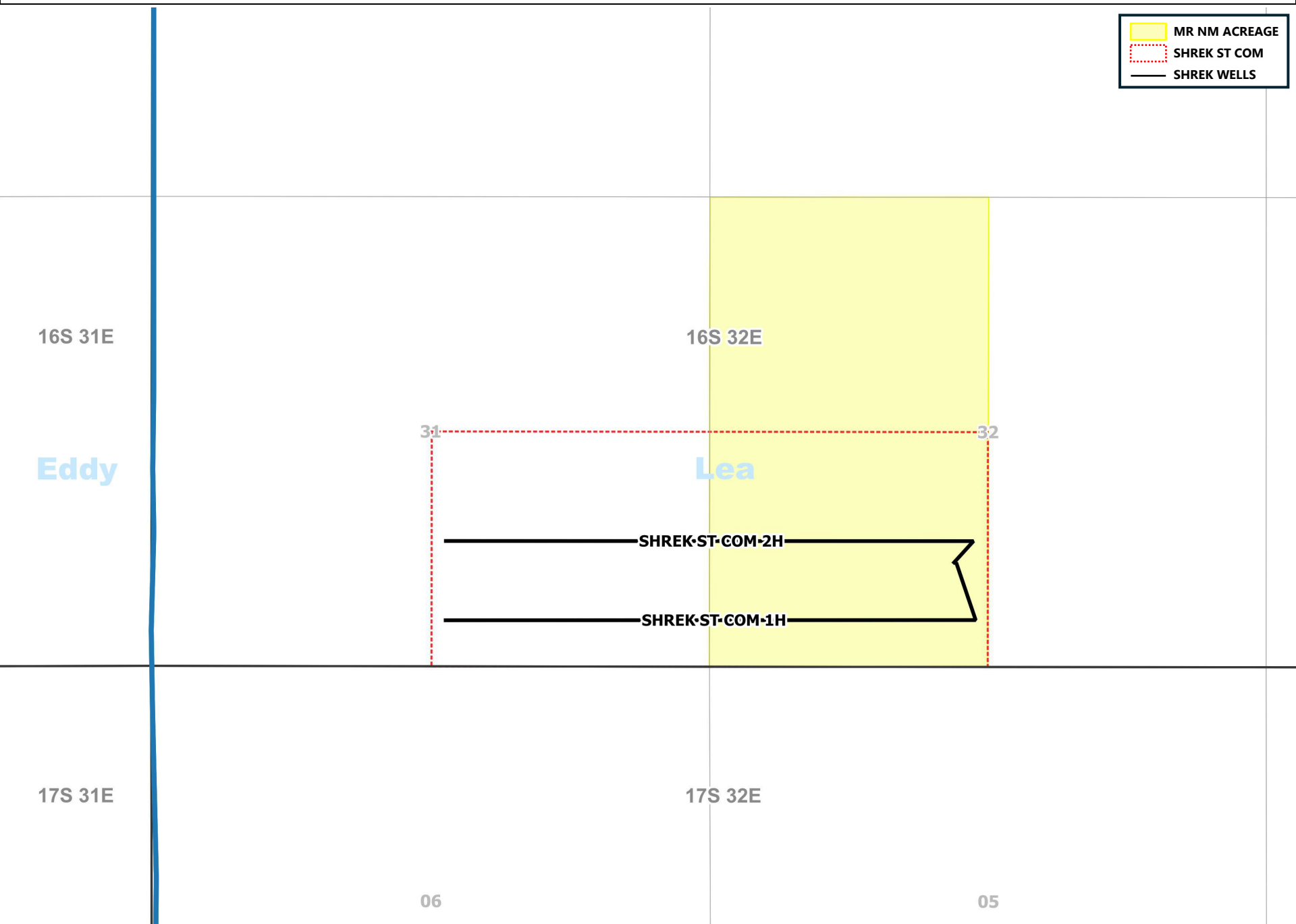
Rice University, Houston, Texas
Bachelor of Science in Earth Science

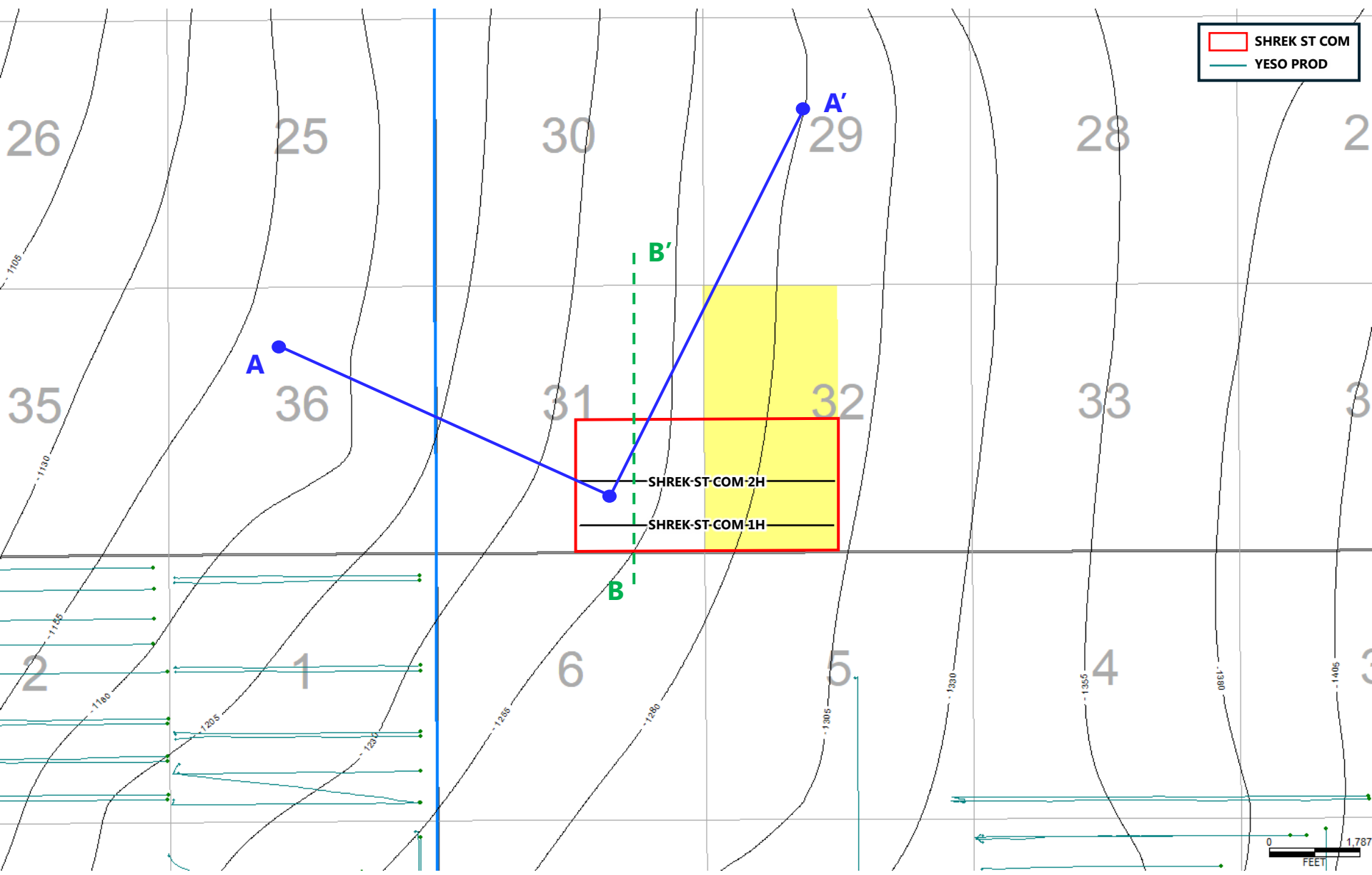
MR NM Operating LLC
Case No. 25642
Exhibit B-1

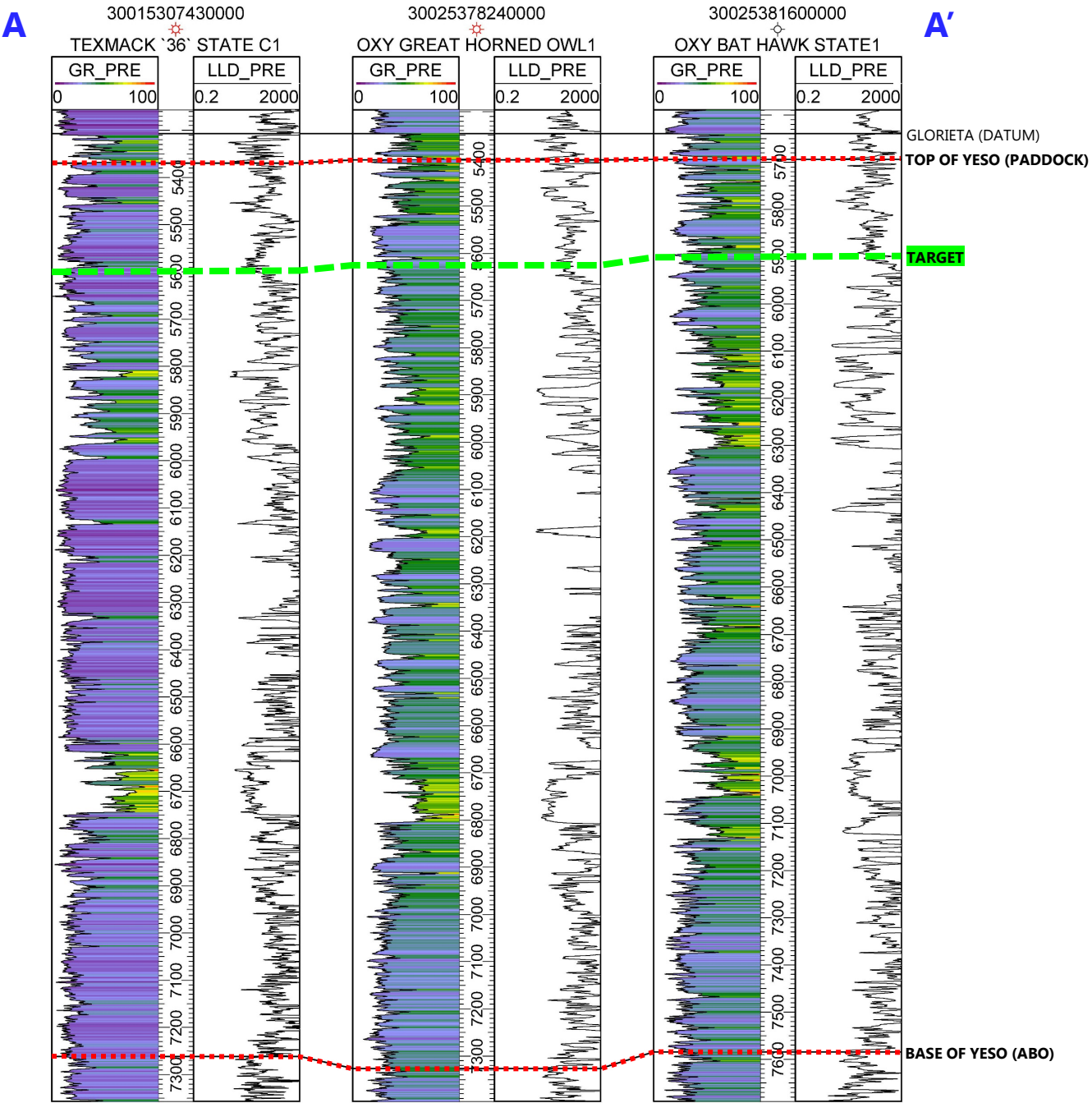
MR NM ACREAGE

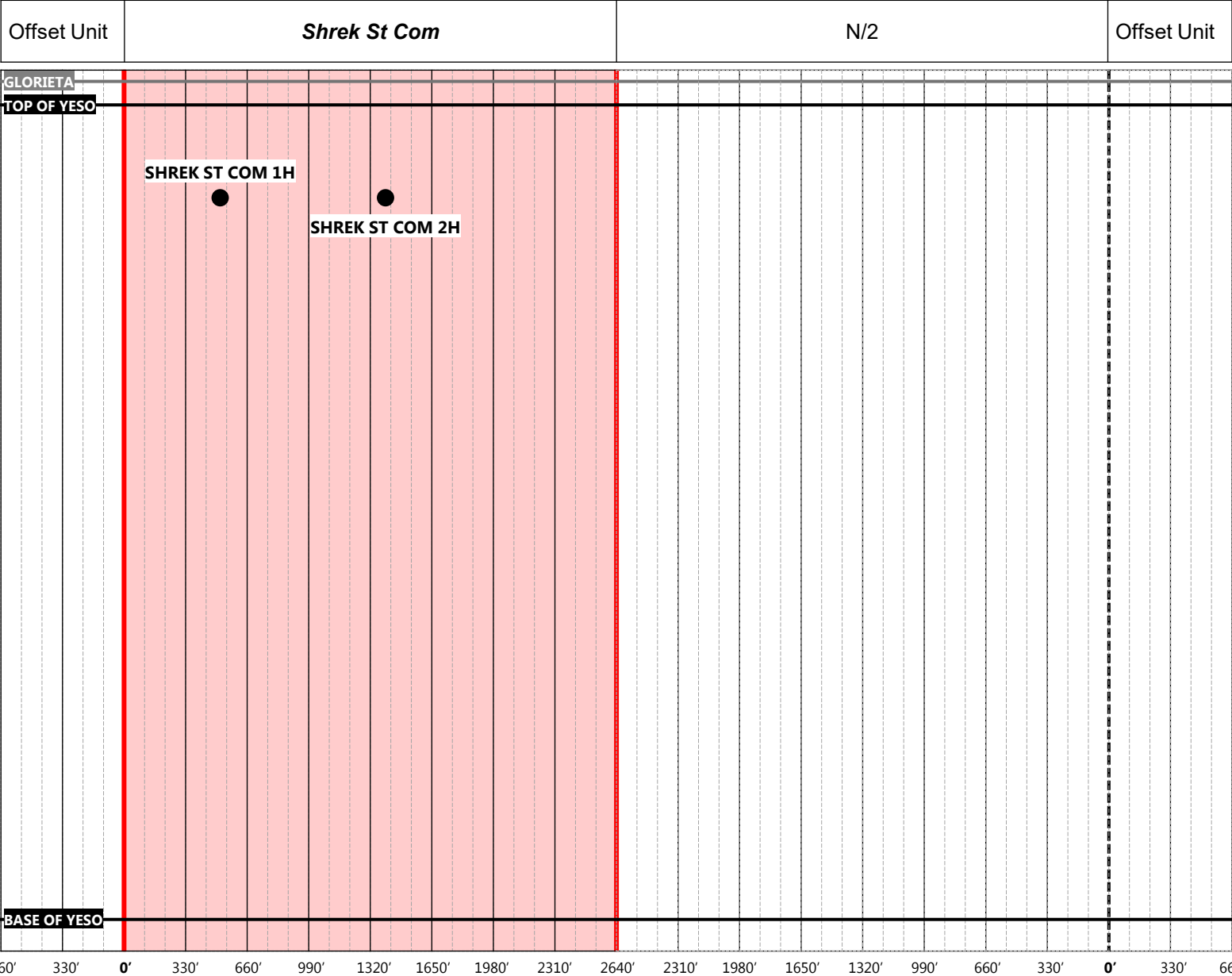
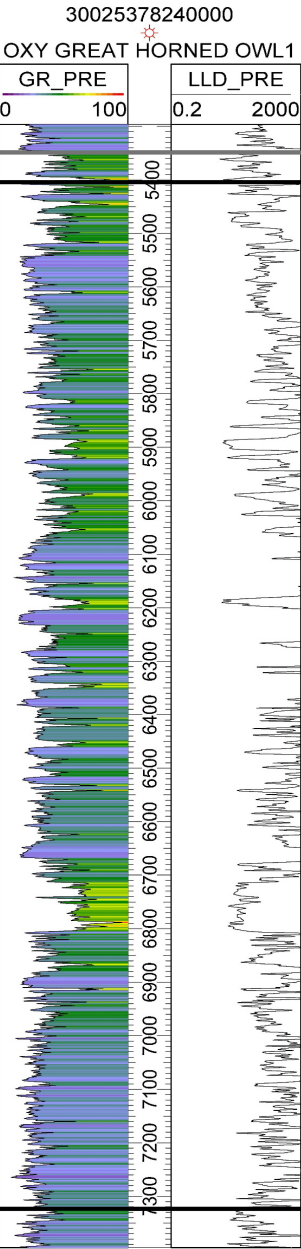
SHREK ST COM

SHREK WELLS









**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF MR NM OPERATING
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25642

**SELF-AFFIRMED STATEMENT
OF JACLYN M. MCLEAN**

1. I am attorney in fact and authorized representative of MR NM Operating LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1**, and caused the Notice Letter, along with the Application in this case, to be sent to the parties listed in the Postal Delivery Report attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date the Notice Letter was sent, along with the delivery status of each.

4. Electronic return receipts are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On September 18, 2025, I caused a notice to be published in the Hobbs News-Sun. An Affidavit of Publication from the legal clerk of the Hobbs News-Sun along with a copy of the Notice Publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/Jaclyn M. McLean
Jaclyn M. McLean

September 26, 2025
Date

**MR NM Operating LLC
Case No. 25642
Exhibit C**

September 15, 2025

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL PARTIES ENTITLED TO NOTICE

**Re: Case No. 25642 - Application of MR NM Operating, LLC for Compulsory
Pooling, Lea County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **October 9, 2025** beginning at 9:00 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. The hearing may be held only virtually at the discretion of the Division. To confirm the manner in which the hearing will be held, and to participate virtually, please visit the OCD Hearings website at the following link:

<https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by these applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days prior to the scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. If you are not registered with the OCD's E-Permitting system, you must submit the statement via e-mail to oed.hearings@emnrd.nm.gov and should include: the names of the parties; whether or not the parties are represented by counsel; a concise statement of the case; the names of witnesses anticipated to be called to testify at the hearing; the approximate amount of time needed to present the case; and an identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about these applications, please contact Blake Simmons at Blake@mr-nm.com.

Sincerely,
/s/ Jaclyn M. McLean
Jaclyn M. McLean

125 Lincoln Avenue, Suite 223
Santa Fe, NM 87501
505-230-4410

HardyMcLean.com

Writer:
Jaclyn M. McLean
Managing Partner
jmclean@hardymclean.com

MR NM Operating LLC
Case No. 25642
Exhibit C-1

Postal Delivery Report
MR NM Shrek - Case No. 25642

Recipient	Date Mailed	USPS Tracking Number	Date Received	Status
Hilcorp Energy I, LP	9/15/2025	9414836208551287796904	9/22/2025	Delivered, Left with Individual
XTO Holdings, LLC	9/15/2025	9414836208551287797215	N/A	In Transit to Next Facility, Arriving Late
Colt Energy, LLC	9/15/2025	9414836208551287797345	9/23/2025	Delivered, Individual Picked Up at Postal Facility LUBBOCK, TX 79453

MR NM Operating LLC
Case No. 25642
Exhibit C-2



September 22, 2025

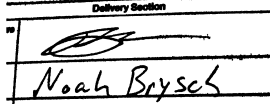
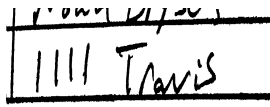
Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8362 0855 1287 7969 04.

Item Details

Status: Delivered, Left with Individual
Status Date / Time: September 22, 2025, 12:03 pm
Location: HOUSTON, TX 77002
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Recipient Name: HILCORP ENERGY I LP

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Hilcorp Energy I, LP
1111 Travis Street
Houston, TX 77002
Reference #: MR NM Shrek 25642
Item ID: MR NM Shrek 25642

MR NM Operating LLC
Case No. 25642
Exhibit C-3



September 23, 2025

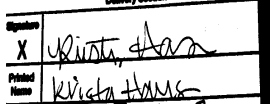
Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8362 0855 1287 7973 45.

Item Details

Status:	Delivered, Individual Picked Up at Postal Facility
Status Date / Time:	September 23, 2025, 1:49 pm
Location:	LUBBOCK, TX 79453
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	COLT ENERGY LLC

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
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Colt Energy, LLC
P.O Box 53657
Lubbock , TX 79453
Reference #: MR NM Shrek 25642
Item ID: MR NM Shrek 25642

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
September 18, 2025
and ending with the issue dated
September 18, 2025.


Publisher

Sworn and subscribed to before me this
18th day of September 2025.


Business Manager

My commission expires

January 29, 2027

(Seal)

STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL	LEGAL
LEGAL NOTICE September 18, 2025	
This is to notify all interested parties, including: Hilcorp Energy I, LP; Colt Energy, LLC; XTO Holdings, LLC (ExxonMobil); and their successors and assigns; that the New Mexico Oil Conservation Division will conduct a hearing on the application submitted by MR NM Operating, LLC ("Applicant") for Case No. 25642. The hearing will be conducted on October 9, 2025, in a hybrid fashion, both virtually and in person at the Energy, Minerals, Natural Resources Department, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD website: https://www.emnrd.nm.gov/ocd/hearing-info/. In Case No. 25642, Applicant seeks an order pooling all uncommitted interests in the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the SE/4 of Section 31 and SW/4 of Section 32, Township 16 South, Range 32 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Shrek State Com 1H, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 32 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31; and Shrek State Com 2H, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 32 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 31. The completed intervals of the Wells will be orthodox. The completed interval of the Shrek State Com 2H well will be located within 330' of the quarter-quarter section line separating the N/2 SE/4 from the S/2 SE/4 of Section 31 and the N/2 SW/4 from the S/2 SW/4 of Section 32 to allow for the creation of a standard 320-acre horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 34 miles east of Artesia, New Mexico. #00304373	

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HARDY MCLEAN LLC
125 LINCOLN AVE, STE. 223
SANTA FE, NM 87501

MR NM Operating LLC
Case No. 25642
Exhibit C-4

